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Manufacturing, Inc.

SALES ORDER TERMS AND CONDITIONS

1 **ACCEPTANCE.** This is an offer to sell goods and/or services (“goods”) to Buyer by Seller. BUYER'S RIGHT TO ACCEPT THIS OFFER IS LIMITED TO THE TERMS AND CONDITIONS HEREIN, AND NO TERMS OR CONDITIONS ADDITIONAL TO OR DIFFERENT FROM THOSE IN THIS OFFER ARE BINDING ON SELLER UNLESS AGREED TO IN WRITING AND SIGNED BY SELLER. THERE ARE NO UNDERSTANDINGS, TERMS, CONDITIONS OR WARRANTIES NOT FULLY EXPRESSED HEREIN. ACCEPTANCE OF THESE TERMS SHALL BE EVIDENCED BY BUYER'S ACCEPTANCE OF GOODS OR UPON BEGINNING OF PERFORMANCE.

2 **PURCHASE ORDERS.** Purchase orders (“PO”) issued by Buyer may specify: Seller's part number; requested delivery dates; quantity; location to which the goods are to be shipped; and the location to which invoices will be sent for payment. Any pre-printed terms and conditions listed on the face of, on the back of, or accompanying any PO from Buyer are expressly rejected.

3 **DELIVERY.** The delivery date shall be that date accepted by Seller in writing, or in any PO confirmation issued by Seller, as applicable.

4 **PURCHASE PRICE.** The purchase price of the goods covered by this Sales Order shall be as accepted by the Seller in writing; provided however, that if Seller announces a general price increase, the purchase price shall be revised to include the price increase unless the goods are scheduled for shipment within thirty days of the price increase. All prices are in U.S. Dollars. Unless otherwise agreed in writing by Seller, terms of payment are net thirty (30) days. The purchase price is exclusive of taxes as discussed in Section 15 of this Sales Order and of shipping fees as discussed in Section 9 of this Sales Order.

5 **LIMITED WARRANTIES.**

Seller warrants that each item of its manufacture shall, at the time of shipment to Buyer, conform to applicable specifications and drawings, and be free from defects in material and workmanship. Warranty of material shall be limited only to the extent that the Seller shall recover from its supplier but not to exceed six months from the date of shipment to Buyer as a maximum period. Design, essential performance, or other provisions expressly stated to be goals or objectives shall not be deemed to be requirements subject to this Warranty.

Unless otherwise specified, Seller's obligation under this Warranty shall be limited to repair or replacement, at Seller's option, of any item which within six months from date of shipment to Buyer is proven to Seller's satisfaction to have been nonconforming at the time of shipment. As a condition of this Warranty, Buyer shall notify Seller in writing of any claimed nonconformance immediately upon discovery and shall return the item to Seller for inspection after a RMA has been issued by Seller to Buyer. Seller shall not be responsible for any work done or repairs made by others at any time. Disassembly by anyone other than persons authorized by Seller will void the terms of this Warranty.

Seller shall not be responsible for the performance of any product which incorporates items manufactured by Seller unless such performance is expressly designated as Seller's responsibility under the terms of the written agreement between Seller and the Buyer.

Seller shall not be liable for improper use, installation, accidents, operation or maintenance of items manufactured by Seller, nor for any damage resulting there from, or from negligence on the part of Buyer's employees or agents.

Seller shall not be responsible for any consequential or incidental damages occasioned by failure of any item supplied by Seller, or by failure of any item in which a component manufactured by Seller is incorporated. Unless

SEI

Manufacturing, Inc.

SALES ORDER TERMS AND CONDITIONS

previously agreed to in writing, Seller shall not provide field repairs, modifications, or any other field services under this Warranty.

THE WARRANTIES CONTAINED HEREIN ARE EXCLUSIVE AND ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED, IMPLIED OR STATUTORY, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ALL OTHER OBLIGATIONS AND LIABILITIES. THIS STANDARD PRODUCT WARRANTY IS IN ADDITION TO AND DOES NOT LIMIT ANY RIGHTS AFFORDED BY ANY OTHER PROVISION OR PROVISIONS OF THE CONTRACT THAT ARE MUTUALLY AGREED TO IN WRITING.

6 LIMITATION OF BUYER'S REMEDIES AND SELLER'S LIABILITY. Seller's total cumulative liability in any way arising from or pertaining to any goods sold or required to be sold, or services performed or required to be performed, under this Sales Order shall in no case exceed the purchase price paid by Buyer for such goods. IN NO EVENT SHALL SELLER HAVE ANY LIABILITY FOR COMMERCIAL LOSS, LOST PROFITS, CLAIMS FOR LABOR, OR FOR EXEMPLARY, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES OF ANY TYPE, WHETHER THE CLAIM BE BASED IN CONTRACT, TORT, WARRANTY, STRICT LIABILITY, NEGLIGENCE, OR OTHERWISE, AND IRRESPECTIVE IF SELLER WAS ADVISED OR AWARE THAT SUCH DAMAGES WERE POSSIBLE OR LIKELY. TO THE FULLEST EXTENT ALLOWED BY LAW, IT IS EXPRESSLY AGREED THAT BUYER'S REMEDIES EXPRESSED IN THIS PARAGRAPH ARE BUYER'S SOLE AND EXCLUSIVE REMEDIES. NO DELIVERY DATES ARE GUARANTEED. BUYER'S SOLE AND EXCLUSIVE REMEDIES AND SELLER'S ONLY LIABILITY FOR ANY DELAY IN DELIVERY OF GOODS OR SERVICES SHALL BE LIMITED AS SET FORTH HEREIN. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE ACCEPTANCE OF THE GOODS SOLD HEREBY OR THE TERMINATION OF THIS SALES ORDER FOR ANY REASON.

7 FORCE MAJEURE. In any event, and in addition to all other limitations stated herein, Seller shall not be liable for any act, omission, result or consequence, including but not limited to any delay in delivery or performance, which is due to any act of God, the performance of any government order, any order bearing priority rating or order placed under any allocation program (mandatory or voluntary) established pursuant to law or industry; local labor shortage; fire, flood or other casualty; governmental regulation or requirement; shortage or failure of raw material, supply, fuel, power or transportation; breakdown of equipment; civil insurrection; terrorism; any strike or labor dispute or shortage, however arising; or any cause beyond Seller's reasonable control, whether of similar or dissimilar nature, to those above enumerated.

8 BUYER'S OBLIGATION TO PASS ON LIMITATION OF WARRANTIES AND REMEDIES. In order to protect Seller against claims by any purchaser from Buyer, if Buyer resells any of the goods purchased under this Sales Order, Buyer shall include the language contained in Sections 5 and 6 of this Sales Order, dealing with Seller's warranties and limitations of warranties and remedies, in an enforceable agreement with Buyer's buyer. Buyer shall also include a provision in its agreement with its buyer applying Alabama law to any claims its buyer might assert against Seller with respect to goods provided by Seller, and requiring its buyer to bring any such action against Seller either in the state or federal courts serving Madison County, in Alabama. Buyer shall defend, indemnify and hold Seller harmless from any and all claims, causes of action, damages, losses or expenses (including reasonable attorney's fees) that Seller incurs by reason of Buyer's failure to comply with this paragraph. The provisions of this section shall survive the acceptance of the goods sold hereby or the termination of this Sales Order for any reason.

9 SHIPMENT/TITLE. Goods sold shall be shipped Ex Works Seller's facility (Incoterms 2000). Title to the goods sold shall pass to Buyer upon final payment. Without Seller's prior written permission, neither Buyer nor Buyer's consignee shall have the right to divert or re consign such shipment to any destination other than specified in the bill of lading. Seller reserves the right to select the mode of transportation. All goods shall be packed in

SEI

Manufacturing, Inc.

SALES ORDER TERMS AND CONDITIONS

accordance with sound commercial practices. Seller shall provide a complete packing list with all shipments. Buyer is responsible for all shipping fees and expenses, which shall be itemized separately from the purchase price for the goods. Seller reserves the right to increase shipping charges and fees for any special shipping, packing, or labeling requests by Buyer. Unless otherwise agreed, Buyer shall be (i) the exporter of record for any goods and/or documentation of goods exported from the United States, and shall comply with all applicable U.S. export control statutes and regulations, and (ii) the importer of record for all goods exported from the U.S. and later imported and returned to Buyer or Seller. Seller will cooperate with Buyer in obtaining any export or import licenses for the goods. Buyer hereby certifies that it will not knowingly export, directly or indirectly, any U.S. origin technical data or software acquired from Seller or any direct product of that technical data or software, to any country, for which the United States Government requires an export license or other approval, without obtaining such approval from the United States Government.

10 PAYMENTS AND LATE CHARGES ON PAST DUE ACCOUNTS. If Buyer shall fail to comply with any provision hereof or fail to make payments in accordance with the terms of this Sales Order or any other contract between Buyer and Seller, or in the event Seller deems itself insecure by reason of doubts as to Buyer's financial condition, Seller may at its option defer shipments or performance or, without waiving any other rights it may have, terminate this Sales Order without liability. All deliveries shall be subject to the approval of Seller's Credit Department. Seller reserves the right, before making any delivery, or providing any service, to require payment in cash or security for payment, and if Buyer fails to comply with such requirement, Seller may terminate this Sales Order. A late charge of 1½% monthly (18% annual rate) or the maximum allowed by law, if less, will be imposed on all past due accounts. Furthermore, Buyer shall be responsible for a storage and/or inventory-carrying charge, if any; until all past due accounts are paid.

11 CLAIMS BY BUYER. Buyer shall thoroughly inspect goods sold under this Sales Order immediately upon receipt to verify for itself that the goods conform to the Specifications. Buyer must notify Seller in writing of claims for failure or delay in delivery, or any claims for shortages, within five (5) business days after the scheduled delivery date, or any such claims shall be waived by Buyer. Buyer must notify Seller in writing of any claims for nonconforming or defective goods within ten (10) business days after receipt, or any claim related to such goods shall be waived. Once goods are accepted, all returns shall be handled in accordance with Section 5 (Warranty). Buyer shall specify the reason for such rejection in all RMAs. Seller must be given an opportunity to investigate the claim before Buyer disposes of the goods, or else Buyer's claim will be barred.

12 TERMINATION.

a) Termination for Convenience.

(i) Sales Orders which list goods as Non-cancellable/Non-returnable ("NCNR") on the face of the Sales Order may never be terminated for convenience as described in this Section. Notwithstanding, any Sales Orders which are not labeled as NCNR may be terminated by either party upon ninety (90) days' written notice prior to the shipment date for the goods.

(ii) In the event the Sales Order is terminated for convenience as described in this Section 12, Seller shall be relieved of any further obligation to Buyer. Buyer shall be liable to Seller for immediate payment of amounts due Seller as of the date of termination. Buyer shall be responsible for payments including payments for all raw materials, work-in-process, and outstanding claims and costs; and reasonable general and administrative costs and profit, as of the date of termination, meaning the date on which notice is received in accordance with Section 24 (Notice).

SEI

Manufacturing, Inc.

SALES ORDER TERMS AND CONDITIONS

b) Termination for Cause.

(i) In addition to other termination provisions provided in this Sales Order, this Sales Order may be terminated by Seller upon the occurrence of any one or more of the following events: (1) failure by Buyer to perform any of its material performance obligations under this Agreement and to cure such failure within thirty (30) days after receipt of written notice describing the failure in sufficient detail, or if the failure cannot be completely cured within thirty (30) days, failure to make substantial progress towards a cure within the thirty (30) day period; (2) insolvency of the Buyer; (3) Buyer's filing of a voluntary petition in bankruptcy; (4) the filing of an involuntary petition to have Buyer declared bankrupt provided it is not vacated within ninety (90) days from the filing date; (5) the appointment of a receiver or trustee for Buyer provided such appointment is not vacated within ninety (90) days from the appointment date; (6) the execution by Buyer of an assignment for the benefit of creditors; (7) Buyer's repudiation of the Sales Order or any threat by Buyer to breach the Sales Order or any of its terms and conditions; or (8) Buyer's failure to accept goods in accordance with the Sales Order or any threats by Buyer for same.

(ii) In the event this Sales Order is terminated for cause as described in this Section 12, upon written notice to Buyer, Seller shall be relieved of any further obligation to Buyer. Buyer shall be liable to Seller for immediate payment of amounts due Seller as of the date of termination. Buyer shall be responsible for payments including payments for of all raw materials, work-in-process, and outstanding claims and costs, plus reasonable general and administrative costs and profits, existing as of the date of termination.

13 **PERMISSIBLE VARIATIONS.** The goods sold hereunder shall be subject to standard manufacturing variations, tolerances and classifications of the Seller and in the industry.

14 **TECHNICAL ADVICE.** Buyer represents that it has made its own independent determination that the goods it is purchasing under this Sales Order meet the design requirements of Buyer's project and are suitable for Buyer's intended application. Buyer further represents that it has not relied in any respect on any written or oral statements or advice from Seller.

15 **TAXES.** No tax imposed in respect of the sale of the goods sold hereunder is included. Any such tax shall be added and paid by Buyer in addition to the purchase price. Specifically, Buyer shall be responsible for all applicable federal, state, and local taxes, value-added taxes, tariffs, import duties, commissions, or other charges.

16 **INDEMNITY.** To the fullest extent permitted by law, Buyer shall defend, indemnify, and hold harmless the Seller and its officers, directors, employees, agents, representatives, and affiliates from any and all loss, liability, claim, cause of action, cost, judgment, or damages, including reasonable attorney fees, for any personal injury, death, property damage, or economic loss of any sort, related to: any act or omission of the Buyer; Buyer's breach of these terms and conditions; use or abuse of the goods by the Buyer or any third party receiving, using or abusing the goods after Buyer's receipt; or, any compliance by Seller with Buyer's plans, designs, or specifications including any patent infringement or alleged infringement; failure of Buyer to comply with any applicable laws and regulations; all without regard to whether any loss is based upon breach of contract, breach of warranty, negligence, strict liability, or other tort or contract theory or cause of action.

17 **CONFIDENTIALITY AND NON-SOLICITATION OF EMPLOYEES**

a) Definitions. For the purpose of this Sales Order,

"Confidential Information" means information (in any form or media) regarding methods of operation, costs

SEI

Manufacturing, Inc.

SALES ORDER TERMS AND CONDITIONS

and pricing, engineering methods and processes (including any information which may be obtained by a party by reverse engineering, decompiling or examining any software or hardware provided by the other party under this Sales Order), programs and databases including proprietary web-based business management tools, patents and designs, billing rates, billing procedures, vendors and suppliers, business methods, finances, management, or any other business information relating to such party (whether constituting a trade secret, or proprietary or otherwise) held by such party as confidential or as a trade secret. Confidential Information shall specifically include Seller's pricing, labor rates, markups, and the like under this Sales Order, as well as deliverables and other information developed required to manufacture the goods. However, Confidential Information does not include information that (i) is known to the other party prior to receipt from the Disclosing Party hereunder, which knowledge shall be evidenced by written records, (ii) is or becomes available in the public domain through no breach of this Sales Order, (iii) is received from a party without breach of any obligation of confidentiality, or (iv) is independently developed by the Receiving Party.

"Person" shall mean and include any individual, partnership, association, corporation, trust, unincorporated organization, limited liability company, or any other business entity or enterprise.

"Representative" shall mean a party's employees, agents, or representatives, including, without limitation, financial advisors, lawyers, accountants, experts, and consultants.

b) Nondisclosure Covenants. This Section 17 does not supersede any non-disclosure agreement between the parties, but in the absence of such an agreement, the following terms apply.

i) In connection with this Agreement, each party (the "Disclosing Party") may furnish to the other party (the "Receiving Party") or its Representatives certain Confidential Information. For a period of five (5) years from receipt of Confidential Information, the Receiving Party (a) shall maintain as confidential all Confidential Information heretofore or hereafter disclosed to it by the Disclosing Party, (b) shall not, directly or indirectly, disclose any such Confidential Information to any Person other than those Representatives of the Receiving Party whose duties justify the need to know such Confidential Information, and then only after each Representative has agreed in writing to be bound by terms substantially similar to this Section 17 and clearly understands his or her obligation to protect the confidentiality of such Confidential Information, and to restrict the use of such Confidential Information, and (c) shall treat such Confidential Information with the same degree of care as it treats its own Confidential Information (but in no case with less than a reasonable degree of care).

ii) The disclosure of any Confidential Information is solely for the purpose of enabling each party to perform under this Agreement, and the Receiving Party shall not use any Confidential Information disclosed by the Disclosing Party for any other purpose.

iii) Except as otherwise set forth in this Agreement, all Confidential Information supplied by the Disclosing Party shall remain the property of the Disclosing Party, and will be promptly returned by the Receiving Party upon receipt of written request therefore.

iv) If the Receiving Party or its Representative is requested or becomes legally compelled to disclose any of the Confidential Information, it will provide the Disclosing Party with prompt written notice. If a protective order or other remedy is not obtained by the Disclosing Party, then only that part of the Confidential Information that is legally required to be furnished will be furnished, and reasonable efforts will be made by the Receiving Party to obtain reliable assurances of confidentiality from the person receiving the Confidential Information.

c) Injunctive Relief Authorized. Any material breach of this section by a party or its Representatives will cause irreparable injury and the non-breaching party shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of a breach. The above will not be construed to limit the remedies to a party.

SEI

Manufacturing, Inc.

SALES ORDER TERMS AND CONDITIONS

18 **TRAINING REQUIREMENTS.** Buyer understands and agrees that tampering with, or improper or unsafe use of; the goods provided hereunder can cause severe bodily injury or death. Buyer agrees to assume sole responsibility for training and supervising its employees, agents, officers, and end users in the approved use and safe operation of all goods, products, or services provided hereunder.

19 **SECURITY INTEREST.** Seller shall retain, and Buyer does hereby grant to Seller, a continuing security interest in the goods sold hereunder and in any accessories, tools, equipment, materials, software programs, and all manuals and other manifestations of the foregoing, which may be sold, licensed and/or furnished by Buyer to Seller, and in all proceeds and products of the foregoing ("Tooling"), for the payment of the entire purchase price and other amounts payable to Seller hereunder. Such security interest shall remain in effect until Buyer has satisfied all of its obligations to Seller hereunder. If Buyer shall not make payment as required by this Sales Order, Buyer agrees to execute such instruments and take such other action as shall be reasonably requested by Seller to vest in Seller or its designee full title to, and at Seller's option, possession and control of the goods and Tooling, whereupon Seller may, at its election, terminate this Sales Order and sell, lease, retain or otherwise dispose of the goods and Tooling. In addition to the foregoing and without limiting Seller's rights or remedies, Seller may at any time take such other actions and exercise such other remedies as may be permitted by law or by these terms and conditions in the event Buyer fails to pay the purchase price as and when due; provided, however, that Buyer shall not thereby be relieved of its obligations to make payment to Seller. Buyer acknowledges that this Sales Order shall constitute a security agreement between the parties.

20 **WAIVER.** Failure or inability of either party to enforce any right hereunder shall not waive any right in respect to any other or future rights or occurrences.

21 **PERIOD OF LIMITATIONS.** Buyer and Seller agree that any action by Buyer against Seller for breach of this Sales Order, including any action for breach of warranty, or otherwise in connection with the goods sold under this Sales Order, must be commenced by Buyer against Seller within one year after the cause of action therefore accrues.

22 **SEVERABILITY.** In case any provision of this Sales Order shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

23 **DISPUTE RESOLUTION AND GOVERNING LAW.** Any dispute, controversy or claim arising out of or relating to this Sales Order, or the breach, termination or invalidity thereof ("Dispute"), shall be settled through friendly negotiations. If the parties fail to resolve the Dispute within thirty (30) days from the time a party first requested for negotiations to settle the dispute, then any party may serve a notice on the other parties requiring the Dispute to be settled by arbitration in accordance with the Commercial Rules of the American Arbitration Association and as may be amended by the rest of Section 23 of this Sales Order. Arbitration shall take place exclusively in Huntsville, Alabama. Each party shall be responsible for its own legal fees except that the fees for the arbitrator shall be divided equally by the parties. The arbitration shall be settled by one (1) arbitrator. The arbitrator shall be appointed by mutual consent of the parties within fourteen (14) days of the date when a notice of arbitration has been received by the other parties. The arbitrator shall have no authority to amend or modify the terms of this Sales Order or to award punitive or exemplary damages, and the award may be enforced by judgment in a U.S. court of law. Notwithstanding the above, all matters related to collection of amounts due Seller by Buyer shall be exclusively litigated in court rather than through arbitration. Furthermore, this Sales Order shall be exclusively governed by, and construed and enforced in accordance with, the laws of the State of Alabama, without regard to its conflicts of law rules. Buyer and Seller, each as part of the consideration hereof, agree to the exclusive venue and jurisdiction of, and specifically agree that any legal action brought relating to this contract or goods or services provided will be brought and tried exclusively in, the state or federal courts serving Madison County,

SEI
Manufacturing, Inc.

SALES ORDER TERMS AND CONDITIONS

Alabama. The parties agree that the provisions of the United Nations Convention for the International Sale of Goods shall not apply to this Sales Order.

24 **NOTICE.** Wherever one party is required or permitted to give written notice to the other under this Sales Order, such notice will be given by hand, by certified U.S. return receipt requested, by overnight courier, or by fax and addressed to the address listed on the face of this Sales Order. All such notices shall be effective upon receipt. Either party may designate a different notice address from time to time upon giving ten (10) days' prior written notice thereof to the other party.

25 **ORDER OF PRECEDENCE.** All POs for goods between the parties are issued for convenience of the parties only and shall be subject to the provisions of this Sales Order. When interpreting this Sales Order, precedence shall be given to the respective parts in the following descending order: (a) this Sales Order and its terms and conditions; (b) any statement of work agreed to by the Seller (c) the Specifications issued by Buyer and accepted by Seller (d) PO's accepted by Seller (excluding any pre-printed terms as discussed in Section 1 of this Sales Order); (e) other documents incorporated by reference herein.